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Angola initiates policies impacting USD2.5 billion of ag trade

Report Categories:

Trade Policy Monitoring

Poultry and Products

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Report Highlights

On January 29, 2015, the government of Angola revoked import licenses for 25 agricultural products including poultry, effectively blocking imports of these products for an unspecified duration. The move followed a January 23, 2015, Ministerial Decree announcing import quotas on 14 food items, a new trade barrier that was not notified to the World Trade Organization. These changes in Angolan's trade policy directly impact \$285 million worth of agricultural products that the United States annually exports to Angola, including \$260 million of chicken cuts exports. These actions transitioned a relatively free import system into a regulated quantitative control system covering more than \$2.5 billion worth of agricultural imports from all sources.

Revoking of import licenses

On January 29, 2015, the Angolan Ministry of Commerce convened the country's major importers and informed them that all import licenses had been revoked, including those for shipments that had already departed the Port of Origin. The importers received an official notice from the Ministry formalizing the license suspension and indicating that all companies interested in importing agricultural goods must submit a request for the amount of product that they wish to import in 2015, under a newly established import quota system. However, many of the products for which import licenses were revoked were not listed on the official Ministerial Decree announcing the new quotas (see section on the new quotas below). The Ministry did not stipulate when it would begin reissuing import licenses.

This step immediately impacts more than \$2.5 billion of the \$4.0 billion of agricultural, fish and forestry products Angola imported in 2013 as reported from exporting countries and \$285 million worth of agricultural products the United States exported to Angola in 2014. Essential agricultural commodities for which import licenses were canceled include, chicken cuts (\$296 million), palm oil (\$252 million), sugar (\$249 million), wheat flour (\$246 million), rice (\$156 million), bovine meat (\$150 million), soybean oil (\$100 million), and corn flour (\$50 million).

Importers report that they have a one-month supply of frozen poultry and meat on hand and that some local suppliers have begun to raise prices substantially to take advantage of the steadily decreasing local stocks since the suspension of import licenses. Importers also report that they have had to lay off personnel due to the uncertainty caused by the new regulations. Prices on frozen chicken leg quarters have risen more than 100 percent in the informal market, where many poor and lower middle class Angolans purchase their protein.

Below is an unofficial translation of the Portuguese notice transmitted to importers by the Angolan Ministry of Commerce and a list of products for which import licenses have been revoked. Note that the Ministry listed general product categories but did not specify HS Codes. The original Portuguese version will be provided upon request by FAS/Pretoria (AgPretoria@fas.usda.gov).

BEGIN UNOFFICIAL TRANSLATION:

Republic of Angola
Ministry of Commerce
Office of the Minister

Notice

The Ministry of Commerce hereby informs Importing Companies of the revocation of import licenses for products covered by the Executive Program of Import Quotas for 2015, including:

1. Products of the Basic Food Basket
2. Drinks
3. Eggs
4. Vegetables
5. Fruit
6. Meats
7. Fish
8. Non-food items (Cement and Bricks)

Basic Food Basket	Vegetables	Fruits	Drinks	Eggs	Meat	Fish	Non-food items
Cooking Oil	Garlic	Mangoes	Water	Eggs	Chicken	Fish	Cement
Corn Flour	Onion	Bananas	Sodas		Meat		Bricks
Wheat Flour	Potatoes	Pineapple	Beer				
Salt	Sweet Potatoes		Fruit Juices				
Rice	Tomatoes						
Sugar	Cabbage						

Importers interested in applying for the Import Quota Program should contact the Ministry of Commerce (Center for Support of Commercial Entrepreneurship) or send an email to quota@minco.gov.ao before the 15th of February 2015.

Ministry of Commerce, in Luanda the 29th of January 2015

Director
(Signed)
Francisco de Oliverira Miguel

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New Import Quotas

On January 23, 2015, the Angolan Ministries of Agriculture, Fisheries, Industry, Commerce, and Transportation, along with the Central Bank, published a joint decree announcing new import quotas on fourteen agricultural product categories. The categories include vegetable oil, corn flour, wheat flour, salt, rice, sugar, water, sodas, beer, juices and nectars, eggs, potatoes, garlic, and onions.

According to the Ministerial Decree, the purpose of the quotas is to diversify the Angolan economy by bolstering non-oil domestic industries.

Below is an unofficial translation of the Introduction and Chapter 1 (listing the affected products and quota quantities) of the Ministerial Decree of January 23, 2015. The entire unofficial translation as well as the original Portuguese version will be provided upon request by FAS/Pretoria (AgPretoria@fas.usda.gov).

BEGIN UNOFFICIAL TRANSLATION:

*Ministries of Finance
Agriculture, Fisheries,
Industry, Commerce,
Transportation and Central Bank*

Joint Executive Decree No. 22/15

In pursuing the efforts that have been done with the increase of national production, aiming to increase sufficient supply of products in quality and quantity there is a need to reduce the import of food and non-food commodities.

Considering the need for strategic reserves to ensure food and nutritional security of the populations in particular in the fields of livestock, industrial and fishing, it is indispensable to implement regulatory measures on the importer market where the domestic supply provides more than 60 percent of the national consumption;

In accordance with the provisions of Article no. 137 of the Constitution of the Republic of Angola is determined:

Chapter 1

Article 1

(Basic Products)

Products	Estimated National Production 2013/2014 (tons)	Import Quota 2015 (tons)
Vegetable Oil	24,200	334,000
Maize Flour	53,100	99,001
Wheat Flour	0	688,000
Salt	50,000	100,000
Rice	37,600	457,000
Sugar	36,000	367,438
Grand Total	200,900	2,045,440

Article 2

(Drinks)

1. It is fixed and authorized for the year 2015 a general import quota of 950,000 hectoliters as described:

Products	Estimated National Production 2013 (hectoliters)	Import Quota 2015 (hectoliters)
Water	4,300,000	150,000
Sodas	6,330,000	200,000
Beer	9,190,000	400,000
Juices and Nectars	1,070,000	200,000
Grand Total	20,890,000	950,000

Article 3

(Eggs)

1. It is fixed and authorized for the year 2015 a general import quota of 156,000,000 units of eggs as described:

Products	Estimated National Production 2013	Import Quota 2015
Eggs	344,000,000	156,000,000
Grand Total	324,000,000	156,000,000

Article 4

(Horticultural)

1. It is fixed and authorized for the year 2015 a general import quota of 184,5000 Tons of products

as described:

Products	Estimated National Production 2013 (tons)	Import Quota 2015 (tons)
Potatoes	670,000	70,000
Garlic	9,100	14,500
Onion	265,000	100,000
Grand Total	944,100	184,500

2. The remaining vegetables are subject to seasonal quotas in accordance with the national production and market fluctuations.

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